

End of Year Message from the Secretary of FAO-Intergovernmental Group on Grains

December 2006

Dear IGG Delegates and MNR Subscribers,

December has arrived fast this year or at least this is as it seems. We must have been busy! And busy we were, as this was an unusual year. Winds of change brought so much turbulence to world grain markets and have left little time for reflection. This year's tightening of the global grain balance pushed up world prices to levels not seen in the last ten years, and in doing so, put grains back on the map. Throughout the year, in our Monthly News Reports (MNR), we tried to keep you abreast of major developments that shaped the market. We hope to have succeeded, and in fact we take encouragement in this regard from the continuous flow of new subscription requests. The objective of MNR has been to enhance dialogue between the FAO Secretariat of the Intergovernmental Group on Grains and you, the honourable Delegates from the Member Countries, Observers and industry contacts. I want to thank you again for your continuing collaboration.

Allow me to provide a brief account of other major activities which the Grains Team undertook in 2006 and share with you our tentative work plan for 2007. In terms of outputs, the Grains Team once again participated in the medium-term projection exercise between FAO and OECD. The result of this joint effort was the publication of *Agricultural Outlook (2006-2015)* in June 2006. As was the case with the last report, this year's joint output also received wide media coverage. The overview of the OECD-FAO Agricultural Outlook report is available at: http://www.fao.org/es/esc/en/highlight_109555en.html

Another major activity has been the production of *Food Outlook* reports. As was mentioned in my previous letter, starting in 2006 *Food Outlook* became a biannual publication and while it remained a FAO-GIEWS report, the responsibility of producing it was shifted to the commodity unit and the Grains Team was given the leading role in its management. You have probably noted the new look of the first issue of *Food Outlook* which was published in June 2006. The new *Food Outlook* includes more in-depth commodity analysis, additional statistical tables and charts, and more extensive reviews of developments in food and feed markets. I am pleased to inform you that the second issue of *Food Outlook* has just been released and it can now be accessed at the FAO-GIEWS website: <http://www.fao.org/giews/english/index.htm>

The reduction in the frequency of *Food Outlook* reports (from 5 to 2 issues per year) was timed to coincide with the launching of *Crop Prospects and Food Situation*, a new FAO-GIEWS publication which has replaced *Food Crops and Shortages*. Unlike *Food Outlook*, which is geared more towards commodity analysis, the main focus of this new FAO-GIEWS report is to provide regional overviews on food security. The new publication is produced six times per year and each issue includes a review of the world cereal supply and demand situation and outlook. Therefore, FAO's forecasts for world cereal markets are reported on a regular basis in *Crop Prospects and Food Situation*. The Grains Team is again an important contributor to this report; by preparing the main section on cereals, including the forecasts for trade, consumption and stocks; the analysis of cereal import bills of the Low Income Food Deficit Countries; and the review of selected food security indicators. The latest issue of *Crop Prospects and Food Situation* was published in November and it too is available on the FAO-GIEWS website.

Another major activity has been the supervision of commodity development projects. As you know the Intergovernmental Group on Grains (IGG-Grains) is designated as an International Commodity Body by the Common Fund for Commodities (CFC) and in that capacity it is currently supervising several CFC-funded projects related to grains as well as roots and tubers. The number of projects under the supervision of the Grains Team has increased considerably in recent years; there are three ongoing projects covering several countries in Africa and Asia. In addition, two new projects were launched late this year which will also need close supervision, and one project is being reviewed for submission early next year.

Year 2007 will surely prove even more challenging. As well as continuing with most, if not all of, the activities which were undertaken in 2006, the Grains Team will also be particularly occupied with the preparation of the next IGG meeting which will take place in Istanbul, 15-16 May 2007, jointly with the FAO IGG on rice. The First Session of the FAO Group on Grains was held in May 1957 so what a better way to celebrate its 50th birthday than holding its meeting outside Rome for the first time ever! In addition, as a side-event to the IGG meeting, we are organizing an International Conference on Commodity Exchanges. This Conference will be hosted by the Government of Turkey with support from the private sector and will be open to the public. You will find the first official announcement about the Conference in the December issue of *Food Outlook*. In early spring, the agenda of the joint IGG meeting and the Conference will be made available. I hope you will mark your calendar for this event.

In closing, on behalf of the FAO Grains Team, please accept our thanks for your continuing support and allow me to offer my best wishes for a happy and healthy New Year.

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